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INSURANCE DEPARTMENT

2020 JUL -2 PM 3:07

ADMIN HEARINGS OFFICE

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE:

AMOGH KARNEY
3913 S. 184TH Street
Omaha, NE 68130

VIOLATIONS:

40 P.S. §§ 310.11(8), (20), 310.78(a)
and 1171.5(a)(1)(i)

Respondent.

Docket No. CO20-06-007

CONSENT ORDER

AND NOW, this 2nd day of July, 2020, this Order is hereby
issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to
the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that he has received proper
notice of his rights to a formal administrative hearing pursuant to the Administrative
Agency Law, 2 Pa.C.S. §§ 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in
this matter, and agrees that this Consent Order, and the Findings of Fact and
Conclusions of Law contained herein, shall have the full force and effect of an Order
duly entered in accordance with the adjudicatory procedures set forth in the
Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

Findings of Fact:

- (a) Respondent is Amogh Karney and maintains a record of his address with the Pennsylvania Insurance Department as 3913 S. 184th Street Omaha, NE 68130.
- (b) Respondent is, and at all times relevant hereto has been, a licensed non-resident producer.
- (c) Respondent, on July 2, 2019, was terminated by Northwestern Mutual Life Insurance Company for misrepresentation of policy premium costs and proceeds to consumers.
- (d) Respondent sold two (2) life insurance policies to two (2) Pennsylvania consumers, advising them that the proceeds of their policies were contingent on the gains in the stock market, which was untrue.
- (e) Respondent's appointed insurer refunded the consumers identified in finding 3(d) for all policy premiums paid, resulting in no financial harm to consumers.
- (f) Respondent, on March 27, 2020, had his resident producer license revoked by the Nebraska Department of Insurance for misrepresentation of a life

insurance policy, violation of the unfair insurance practices act, and for demonstrating a lack of fitness or trustworthiness.

- (g) Respondent failed to notify the Department of the administrative action identified in finding 3(f) within 30 days.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 310.11(8) prohibits a licensee or an applicant from having a producer license or other financial services license denied, suspended or revoked by a governmental entity.
- (c) Respondent's activities described in paragraph 3(f) violate 40 P.S. § 310.11(8).
- (d) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.
- (e) Respondent's activities described above in paragraphs 3(c) through 3(g) violate 40 P.S. § 310.11(20).

- (f) 40 P.S. § 310.78(a) requires a licensee to report any administrative action taken in another jurisdiction or by another governmental agency within 30 days of the final disposition, to include a copy of the order, consent order or other relevant legal documents.
- (g) Respondent's activities described in paragraph 3(g) violate 40 P.S. § 310.78(a).
- (h) 40 P.S. § 1171.5(a)(1)(i) prohibits persons from misrepresenting the benefits, advantages, conditions or terms of any insurance policy.
- (i) Respondent's activities described in paragraphs 3(c) and 3(d) constitute misrepresenting the benefits, advantages, conditions or terms of any insurance policy and violate 40 P.S. § 1171.5(a)(1)(i).
- (j) Respondent's violations of §§ 310.11(8), (20) and 310.78(a) are punishable by the following, under 40 P.S. § 310.91:
 - (i) suspension, revocation or refusal to issue the license;
 - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
 - (iii) an order to cease and desist; and
 - (iv) any other conditions as the Commissioner deems appropriate.
- (k) Respondent's violations of 40 P.S. § 1171.5(a)(1)(i) are punishable by the following, under 40 P.S. §§ 1171.8, 1171.9, and 1171.11:

- (i) an order requiring Respondent to cease and desist from engaging in such violation and/or, if such violation is a method of competition, act or practice defined in § 5 of this Act, suspension or revocation of Respondent's license(s);
- (ii) commencement of an actions against Respondent for the following civil penalties:
 - (1) for each method of competition, act or practice defined in § 5 and in violation of the Act which Respondent knew or reasonably should have known was such a violation, a penalty of not more than five thousand dollars (\$5,000.00) for each violation, not to exceed an aggregate penalty of fifty thousand dollars (\$50,000.00) in any six month period;
 - (2) for each method of competition, act or practice defined in § 5 and in violation of this Act which Respondent did not know nor reasonably should have known was such a violation, each violation, not to exceed an aggregate penalty of ten thousand dollars (\$10,000.00) in any six month period;
 - (3) for each violation of an Order issued by the Commissioner pursuant to § 9 of the Act, which such Order is in effect, a penalty of not more than ten thousand dollars (\$10,000.00).

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

- (a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.
- (b) All licenses of Respondent to do the business of insurance are hereby revoked.
- (c) If Respondent should ever become licensed in the future, his licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with, or (ii) any complaint against Respondent is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of ten (10) years from the date of issuance of such licenses.
- (d) Respondent specifically waives his right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondent by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.
- (e) At the hearing referred to in paragraph 5(d) of this Order, Respondent shall have the burden of demonstrating that he is worthy of an insurance license.

- (f) In the event Respondent's licenses are suspended pursuant to paragraph 5(c) above, and Respondent either fails to request a hearing within thirty (30) days or at the hearing fails to demonstrate that he is worthy of a license, Respondent's suspended licenses shall be revoked.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may pursue any and all legal remedies available, including but not limited to the following: The Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provisions of law; or, if applicable, the Department may enforce the provisions of this Order in any other court of law or equity having jurisdiction.

7. Alternatively, in the event the Insurance Department finds there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegate is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or duly authorized delegate.

BY:



AMOGH KARNEY, Respondent



COMMONWEALTH OF PENNSYLVANIA

By: CHRISTOPHER R. MONAHAN
Deputy Insurance Commissioner